

Message Text

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PAGE 01 ROME 06429 080852Z
ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 ICA-20 AID-05 EB-08 NSC-05
SS-15 STR-07 OMB-01 CEA-01 CIAE-00 COME-00 FRB-01
INR-10 NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01 L-03
H-02 PA-02 /110 W
-----056628 080853Z /21/15

R 071530Z APR 78
FM AMEMBASSY ROME
TO SECSTATE WASHDC 1921
TREASURY DEPARTMENT WASHDC

UNCLAS ROME 6429

C O R R E C T E D C O P Y (ADDING EO, TAGS AND SUBJECT)

E.O. 11652: N/A
TAGS: EFIN, IT
SUBJECT: TREASURY MINISTER PANDOLFI WARNS SENATE OF INFLATION
DANGER AND SAYS IMF LOAN TO ITALY OF HIGHEST
IMPORTANCE

1. ON APRIL 6 MINISTER PANDOLFI MADE HIS FIRST APPEARANCE BEFORE
PARLIAMENT AS TREASURY MINISTER IN CONNECTION WITH THE SUBMISSION
TO THE FULL SENATE OF THE APPROPRIATIONS BUDGET FOR 1978. SINCE
THERE WAS NO TEXT OF PANDOLFI'S REMARKS, THE FOLLOWING IS BASED
ON A REPORT IN LA STAMPA ON APRIL 7.

2. PANDOLFI SAID " I HAVE THE DUTY TO POINT OUT THAT DIFFICULTIES
IN CONTROLLING THE MONETARY AGGREGATES, PRICES, AND THE BALANCE
OF PAYMENTS COULD ARISE IN THE LATTER PART OF 1978. " HE SAID
IT WAS NECESSARY " TO INITIATE WITHOUT DELAY MEASURES THAT WOULD
HAVE AN ENDURING (BENEFICIAL) EFFECT ON THE STRUCTURE OF PUBLIC
FINANCE ". PANDOLFI WAS QUOTED AS SAYING, ALLEGEDLY IN CONNECTION
WITH ITALY'S IMPROVED INTERNATIONAL CREDITWORTHINESS, THAT "
THE GOVERNMENT ATTACHES GREAT INTEREST AND IMPORTANCE TO
OBTAINING LOANS FROM THE INTERNATIONAL MONETARY FUND AND EUROPEAN
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ECONOMIC COMMUNITY. IN FACT I CAN ANNOUNCE THAT PRELIMINARY
CONTACTS ON THE TIMING AND PROCEDURES FOR THE RELEVANT NEGOTIATIONS
ARE IN PROGRESS. " PANDOLFI CONCLUDED, STATING THAT " THE RECOVERY
CANNOT BE FINANCED BY INFLATION. FUNDAMENTAL COURSE CORRECTIONS
ARE NECESSARY IN THE FINANCIAL SECTOR AND IN PARTICULAR IN PUBLIC
EXPENDITURE. HOLMES

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INFLATION, ECONOMIC CONDITIONS, BUDGETS, SPEECHES, LOANS, CENTRAL LEGISLATURE
Control Number: n/a
Copy: SINGLE
Draft Date: 07 apr 1978
Decapton Date: 01 jan 1960
Decapton Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978ROME06429
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Document Unique ID: 00
Drafter: n/a
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Film Number: D780164-0459, D780152-0241
Format: TEL
From: ROME
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1978/newtext/t19780480/aaaacqfv.tel
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Litigation Codes:
Litigation History:
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Original Previous Classification: n/a
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